

IF Revenue Generation Strategies

IIHF at IF Forum 09
Lausanne, 16-18 November 2009



**INTERNATIONAL
ICE HOCKEY
FEDERATION**

Background to the IIHF

- Founded 15 May 1908 in Paris by the national Ice Hockey Associations from France, Belgium, Great Britain and Switzerland
- Today the IIHF has 68 member national member associations on all five continents
- Each season, the IIHF runs around 25 different World Championships in the five different categories (WM, WM20, WM18, WW, WW18)
- The IIHF also runs a set of European club competitions, including the Champions Hockey League, the Continental Cup, the European Women's Champions Cup
- Head Quarters in Zurich, Switzerland
- President since 1994: Dr. René Fasel
- General Secretary since 2006: Mr. Horst Lichtner



Background to the IIHF

- IIHF World Championship
 - Ice hockey's World Championships are the biggest annual winter sports event in the world
 - April/May - 16 best ice hockey teams in the world, 56 games - establish the new IIHF World Champion
 - Contract with Infront till 2017 for all commercial rights
- IIHF World U20 Championship
 - Top 10 U20 Teams in late December/Early January every year
 - TSN has been televising the IIHF World Junior Championship since 1991, and eight of the Top 10 programs of all-time on TSN have been IIHF World Junior Championship broadcasts
 - Contract with Hockey Canada till 2021



Background to the IIHF

- Other IIHF World Championships (WW, WW18, WM18 etc.)
 - WW not held in same year as Winter Olympics
 - Division I – III tournaments held annually
 - Contract with Hockey Canada for WW
- Olympic Winter Games
 - Ice Hockey is key event of the Olympic Winter Games in 2010
 - Olympic ice hockey tournament in Vancouver, Canada, February 16-28, 2010:
 - 12 Men's Teams
 - 8 Women's Teams



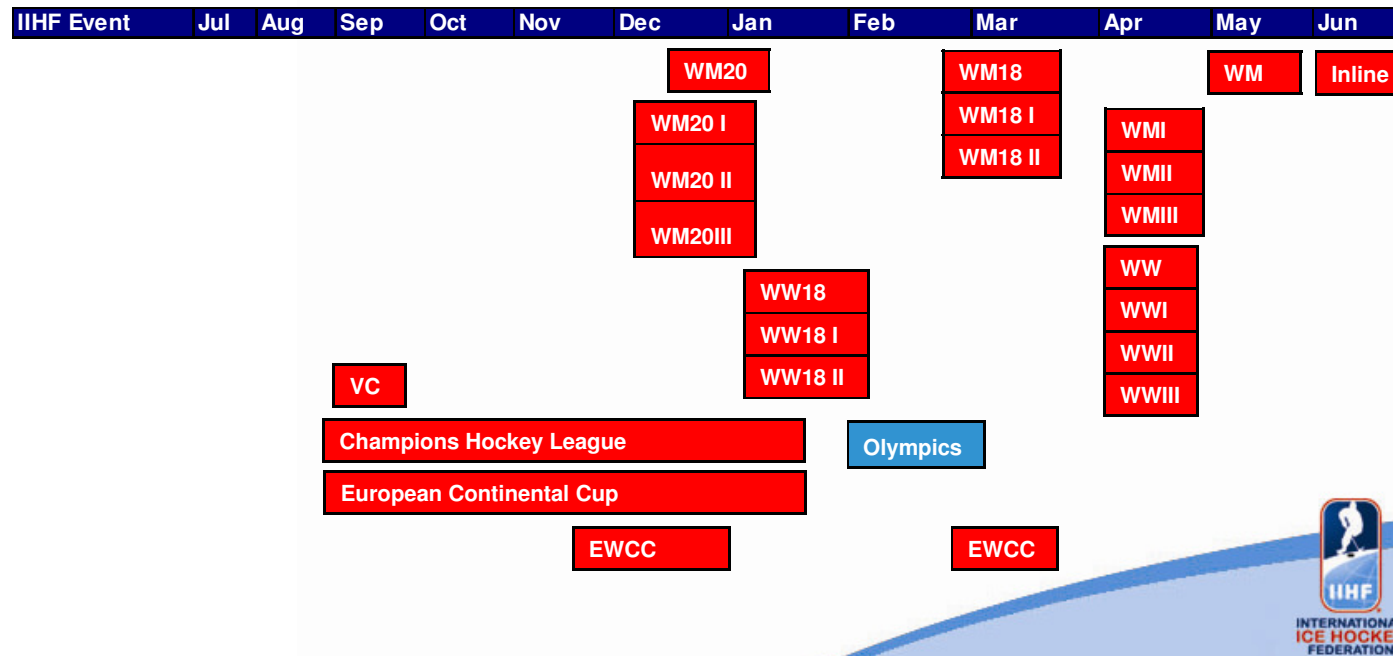
Background to the IIHF

- Club Competitions:
 - Champions Hockey League
 - The Champions Hockey League 2010-2011 is planned to include 16 teams with four teams in four groups
 - Victoria Cup
 - The Victoria Cup is an annual game played between one or more European teams - determined by the Champions Hockey League - and one or more NHL challengers
 - Continental Cup
 - Annual European competition
 - European Women's Champions Cup
 - Annual European Competition

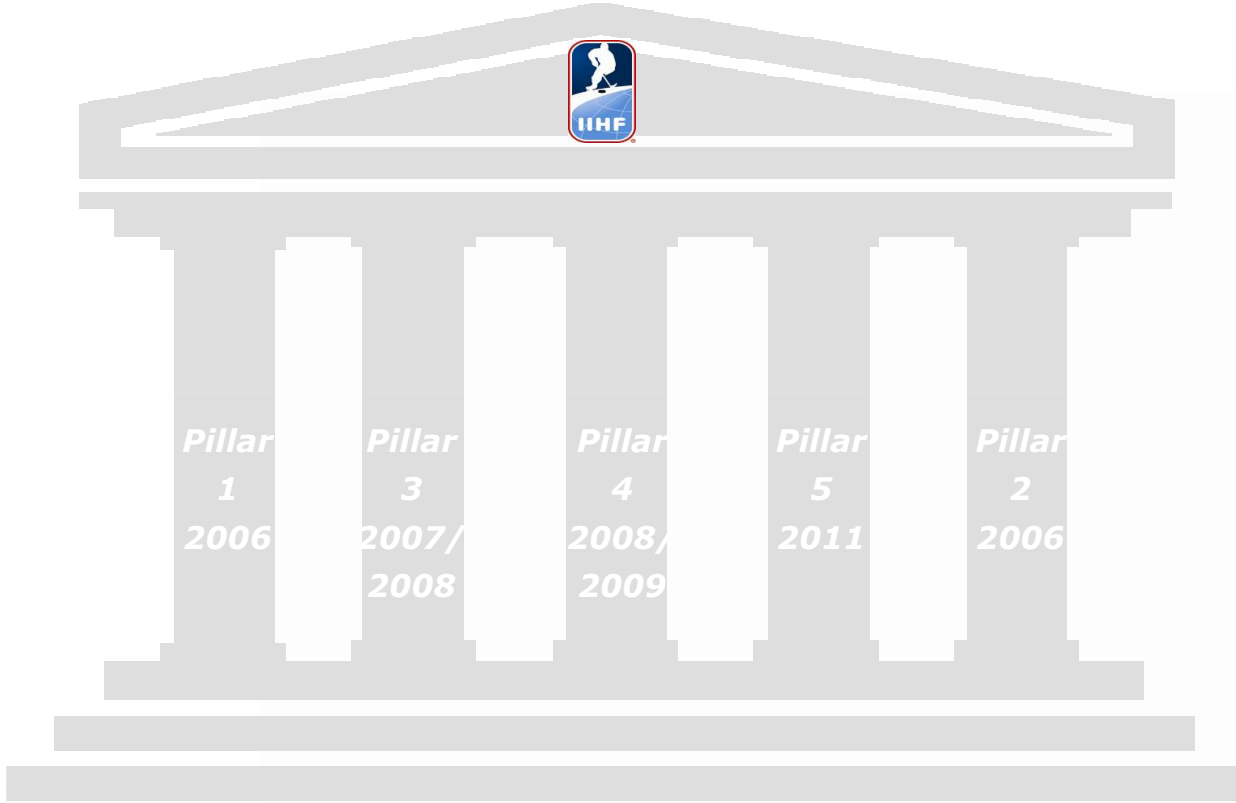


Background to the IIHF

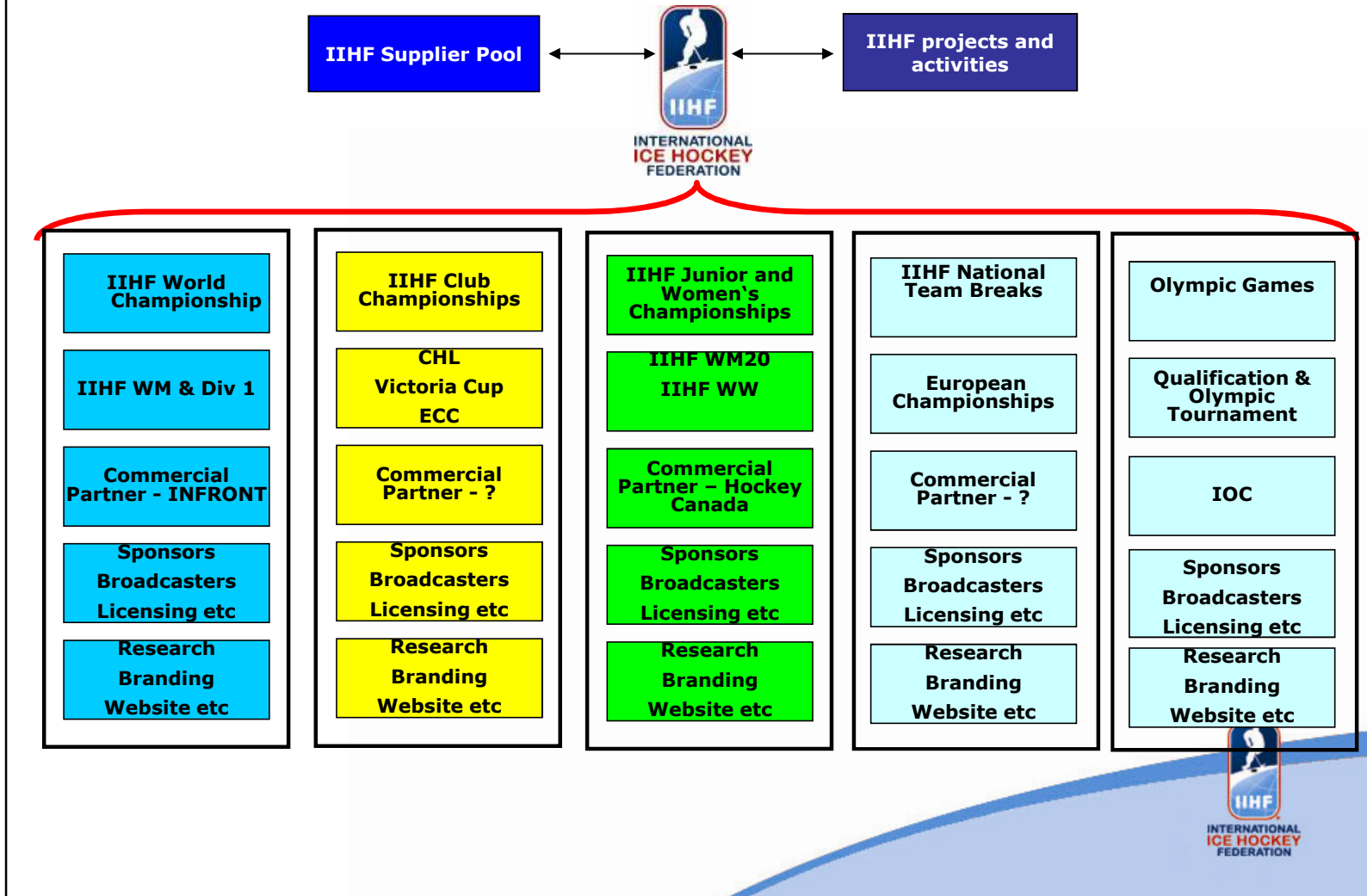
- IIHF Event Calendar for IIHF World Championships, WM20, WM18, WW, WW18, Victoria Cup, CHL, ECC, Olympics and Inline



IIHF Marketing Pillars – Securing Long Term Stability



IIHF Marketing Pillar Approach



IIHF Marketing Pillar Approach

- IIHF Marketing strategy:
 - Focuses on core strengths of IIHF
 - Creating and operating successful events
 - Meets objectives of IIHF stakeholders:
 - Activate customers
 - Secure long term revenues for MNA's (→Development)
 - Minimize financial risks
 - Provide quality events for fans and general public
 - Create tailored products for media and sponsors

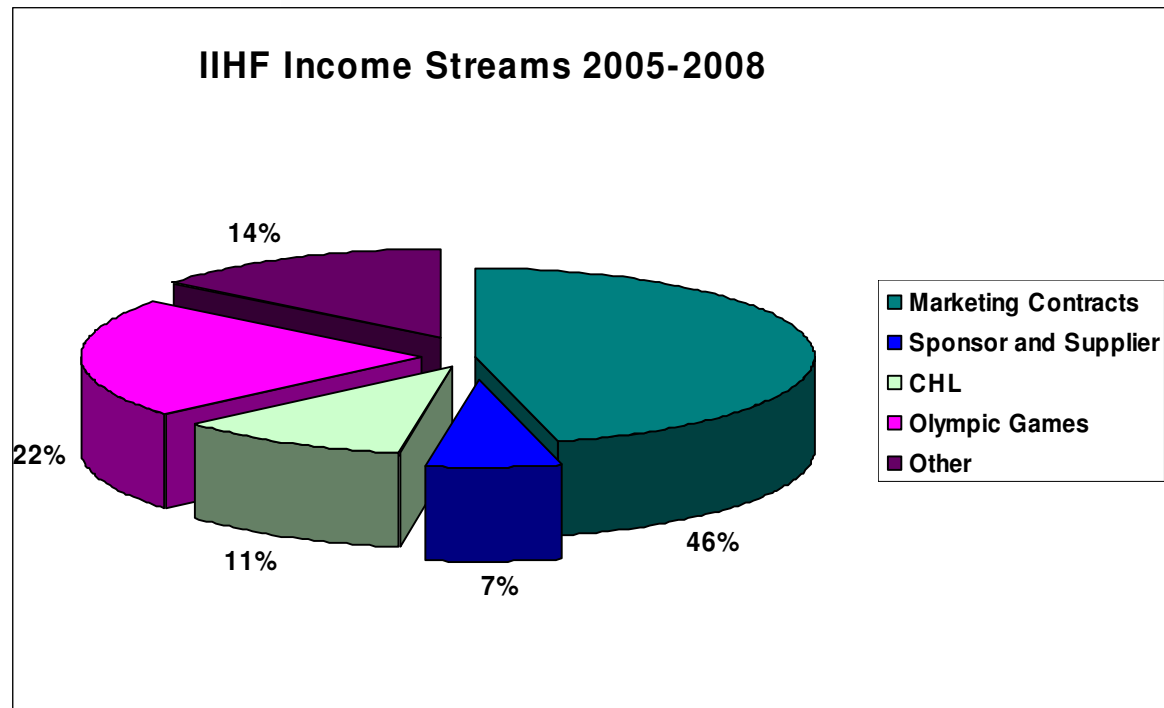


Financial Analysis of IIHF Income Streams

- Key revenue sources in Olympic quadrennium 2005-2008:
 - Commercial partners - Infront, Hockey Canada
 - IOC
 - Sponsors and suppliers e.g Nike, Tissot and members of the IIHF Supplier Pool
- Top 3 commercial sources of revenue in 2009:
 - IIHF World Championship
 - Champions Hockey League
 - IIHF World U20 Championship

Financial Analysis of IIHF Income Streams

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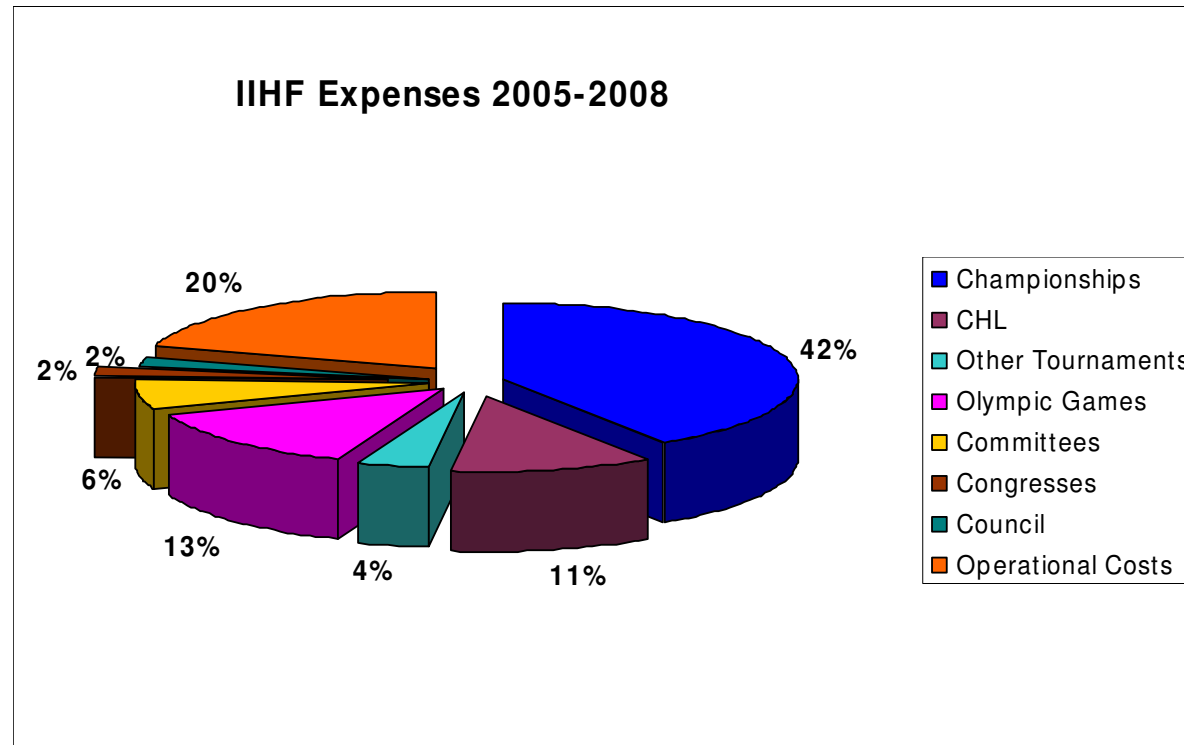
Factors Influencing Financial Strategy

- Based on long term considerations
 - NMA's need long term security
- Long term security vs income maximisation
- Selection of partners
 - Infront
 - The right partner for the sport
 - Hockey Canada
 - Unique hockey market
 - Nike, IIHF sponsors and suppliers
 - Developing the game with key stakeholders



Present IIHF Budget Allocation

- World Championships account for majority of expense



Factors Influencing Federation Attractiveness

- Attractive sport with strong products/events

- Trust and stability within Federation
 - Continuity of top management
 - Strong executive board
 - Transparent decision-making processes

- Good membership base
 - Number of member federations
 - Global or regional reach
 - Number of active participants

- Status within Olympic family

- Willingness to enter long term partnership



Future Developments and Growth Strategies

- World Championship
 - TV strategy based on:
 - Growth in new markets
 - Expand in existing markets
 - Focus on free-TV coverage

 - Marketing and Sponsorship strategy based on:
 - 1 (main) plus 10 (official) sponsorship strategy
 - Long term deals receive preference
 - Increasing focus on sponsor servicing
 - High quality VIP program
 - Increase merchandising possibilities/on site promotion
 - Invest in on site entertainment
 - Create once in a lifetime experiences



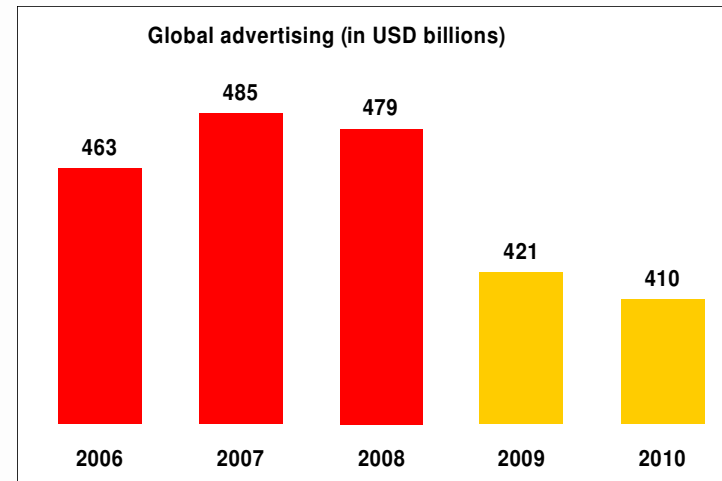
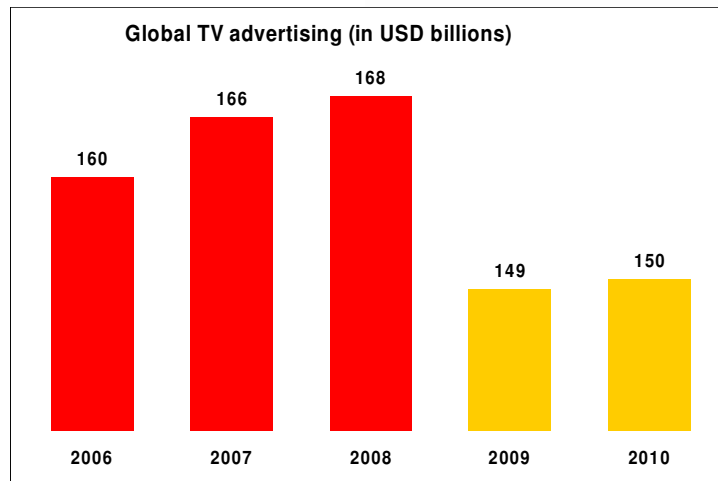
Future Developments and Growth Strategies

- Innovation at the IIHF World Championship
 - Opening game of 2010 IIHF World Championship (GER-USA on May 7, 2010)
 - For this game, the arena of football club Schalke 04 will be converted into a giant ice hockey arena hosting app. 76,000 people for this world record encounter
 - A once in a lifetime experience for fans
 - The game is practically sold out



Handling the Financial Crisis

- Expected global decrease in advertising spend will affect value of sports rights



PricewaterhouseCoopers, Global entertainment and media outlook, 2009-13, June 2009

Handling The Financial Crisis

- Champions Hockey League – Relaunch in 2010
 - First season tremendous success
 - Fans, players, broadcasters positive
 - New brand likely to be launched
- The vision remains:
 - The CHL will be the leading Club Hockey competition in Europe, and become recognized as Europe's clear number 1 sport!
- The mission remains:
 - Give fans an exciting, entertaining product and broaden the appeal of the game; position the CHL as the pinnacle achievement in European Club Ice Hockey



Handling The Financial Crisis

- Long term, reasonable planning of resources at IIHF
- Security through long term contracts
 - Infront and Hockey Canada
- Create safe funds

Conclusions

- Carry out a portfolio analysis
- Create a tailored strategy
- Choose the right commercial partners
- Be prepared for the unexpected
- Think strategically instead of short term